



LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
Political Subdivision of the State of California

We Manage Government Boundaries, Evaluate Municipal Services, and Protect Agriculture

**NAPA COUNTY RESOURCE CONSERVATION DISTRICT
MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE**

Prepared in accordance with Government Code Sections 56425 and 56430

Final Report

April 2016



LAFCO of Napa County
Overseeing the
logical formation and development
of cities and special districts.

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I. EXECUTIVE SUMMARY

This report is presented as part of a process mandated by Sections 56425 and 56430 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. This report comprehensively reviews municipal services provided by, and proposes amendments to the sphere of influence of, the Napa County Resource Conservation District (NCRCD). The Commission most recently prepared a municipal service review for NCRCD in 2006. NCRCD’s sphere of influence was originally established by the Commission in 1985 and affirmed with no changes in 2007. This report includes determinative statements based on factors required to be considered as part of the municipal service review component and also includes a recommendation to affirm the District’s sphere of influence with no changes. A map depicting NCRCD’s current jurisdictional boundary and sphere of influence is included in this report as Exhibit A.

II. OVERVIEW



NCRCD was formed in 1945 to provide soil and water conservation services to farmers and ranchers in Napa County. Since its formation, NCRCD has gradually expanded the scope of its conservation services to benefit both non-urban and urban areas. This expansion has included working with citizens, organizations, and local agencies in developing and managing viticulture and watershed projects as well as facilitating volunteer stewardship programs. The majority of NCRCD’s services are provided in partnership with the United States Department of Agriculture’s Natural Resources Conservation Service. This partnership, which includes the sharing of office space, equipment, and staff resources, is formalized through a memorandum of understanding and helps to coordinate and enhance local conservation activities.

NCRCD’s adopted operating budget for fiscal year 2015-16 is \$1.457 million and includes 8.75 total full-time equivalent employees.

III. MUNICIPAL SERVICE REVIEW

Overview

The Napa County Resource Conservation District (NCRCD) is charged with protecting and restoring natural resources within a jurisdictional boundary that includes most of Napa County and a small portion of Solano County. The origins of resource conservation districts dates back to the national “Dust Bowl” crisis of the 1930s as drought and attendant soil losses destroyed millions of acres of cropland. On April 27, 1935, in response to the Dust Bowl, Congress established the Soil Conservation Service as part of the United States Department of Agriculture (USDA) for the purpose of conserving natural resources on agricultural lands. To deliver these services locally, state governments began adopting legislation to allow for the formation of conservation districts to provide assistance and leadership in the management of soil and water resources. In 1945, NCRCD was formed under California’s Soil Conservation District Act to provide non-regulatory soil and water conservation services to farmers and ranchers in Napa County.¹ Over the years the range of services provided by NCRCD has expanded to include soil erosion plans for non-agricultural lands and watershed management projects. **Table 1** provides an agency profile for NCRCD.

Table 1
NCRCD: Agency Profile

District Formation:	1945
Enabling Legislation:	Public Resources Code, Division 9
District Type:	Independent
District Boundary:	506,200 acres
District Sphere:	507,500 acres
Staff:	8.75 FTE
FY15/16 Budget:	\$1.46 million
Services Provided:	Conservation

Today, NCRCD’s jurisdictional boundary includes most of Napa County with the exception of those portions of the City of Napa that were incorporated as of 1945. NCRCD’s jurisdictional boundary also encompasses a small portion of Solano County known as “Cullinan Ranch.” This approximate 2,070-acre area is located in southwestern Solano County and was annexed to NCRCD in 1952. Cullinan Ranch is owned by the United States Fish and Wildlife Service and is comprised of tidal wetlands providing habitat for a

number of native fish, plants, and wildlife species. **Exhibit A** provides a map depicting NCRCD’s current sphere of influence and jurisdictional boundary.

¹ This legislation was reorganized in 1975 as part of the Resource Conservation District Act.

Planning Context

Napa County covers approximately 505,850 acres, of which 94% are unincorporated lands. Over one-half of all lands in Napa County are identified as “rural” according to parcel-level information prepared by the County of Napa Assessor’s Office. Although NCRCD has jurisdiction throughout Napa County (except where noted in the City of Napa), the District’s priority is the conservation, protection, and restoration of agricultural, rural, grazing, farming, parks, and open space land – which constitutes the majority of land in Napa County as shown in **Table 2**.

**Table 2
Unincorporated Land Use**

Land Use Category	Total Acres	% of Total Acres in Napa County
Commercial	3,188	0.6
Industrial	2,948	0.6
Public/Quasi-public	6,850	1.4
Parks and Open Space	89,823	17.7
Urban/Suburban Residential	4,399	0.9
Rural Residential	10,735	2.1
Rural Lands	256,263	50.6
Farming	50,689	10.0
Grazing	54,024	10.7
<i>Total</i>	<i>478,919</i>	<i>94.5</i>

Source: County of Napa Assessor’s Office

In the past 25 years, Napa County has grown approximately 27 percent, increasing in population from 110,800 in 1990 to 140,300 in 2015. Accordingly to the California Department of Conservation, urban growth has resulted in the conversion of 4,458 acres of agricultural lands in Napa County between 2000 and 2010.² These trends are expected to marginally decrease over the next 10 years as population growth in Napa County is projected to increase 0.6 percent annually as shown in **Table 3**.

**Table 3
ABAG Population Projections, 2015-2025**

Jurisdiction	2015	2020	2025
American Canyon	20,500	21,500	22,600
Calistoga	5,200	5,300	5,400
Napa	78,800	80,700	82,800
St. Helena	5,900	6,000	6,100
Yountville	3,000	3,100	3,300
Unincorporated	26,900	27,600	28,400
Total	140,300	144,200	148,600

Source: ABAG, 2013 Projections

Napa County, like many other regions in California, is subject to residential and commercial development to accommodate demands of a growing population. Although local policies have slowed the premature encroachment of urban uses onto open space and agricultural lands, the gradual expansion of urban boundaries and intensification of development underscores the need for NCRCD to contend with population growth and urban encroachment in a conscientious method that addresses watershed conservation and agricultural needs.

According to NCRCD’s 2014-2020 Strategic Plan, the primary focus in the next four years will be improving and protecting water quality and quantity, fish and wildlife habitat, biodiversity, soil health, and overall ecosystem function. Additional areas of focus will involve improving understanding about the condition of watersheds within NCRCD and effectively utilizing that information to appropriately influence policy and land use decisions. Critical local resource issues include soil and water conservation, air quality, and the presence of threatened and endangered species and non-native plants.

² This includes lands classified by the California Department of Conservation as grazing land, prime farmland, farmland of statewide importance, unique farmland, and farmland of local importance.

District Operations

Mission

NCRCDD is a non-regulatory agency whose mission is to promote responsible watershed management through voluntary community stewardship and technical assistance. Stated goals of NCRCDD are:

- Promotion of watershed based land stewardship, including sustainable agriculture
- Protection and enhancement of waterways and water quality
- Reduction of soil erosion
- Preservation and restoration of wildlife habitat
- Fostering of an informed and knowledgeable community

NCRCDD has adopted the following mission statement:

“Our mission is to empower the community to voluntarily conserve, protect, and restore natural resources in a landscape that supports agriculture, urban areas, and wild spaces. We provide technical assistance, educational programs, monitoring programs and funding sources to help land managers improve their conservation practices.”

Governance and Staffing

NCRCDD is governed by an independent board of directors that includes seven Directors that are appointed in-lieu of election by the Napa County Board of Supervisors and eight Associate Directors that are appointed by the NCRCDD Board of Directors. The roles of NCRCDD’s Board of Directors are to establish priorities, set policies and guidelines, and oversee general operations. Associate Directors are non-voting members that provide guidance and assistance to NCRCDD. The Board of Directors meets on the second Thursday of every month. Meetings are posted on-site, on NCRCDD’s website, and published in the local newspaper.

The Board of Directors appoints an Executive Director who is responsible for managing services and overseeing staff. NCRCDD staff includes technical specialists with expertise in a variety of areas, including hydrology, biology, restoration, conservation education, vineyard management, and erosion control. NCRCDD’s adopted budgets over the past five fiscal years have averaged \$1.338 million, with the majority of its revenues drawn from intergovernmental grants and contracts. Staff for NCRCDD currently comprises:

- Executive Director
- Conservation Project Manager
- Senior Hydrologist
- Office Manager
- Conservation Program Manager
- Senior Biologist
- Conservation Program Assistant
- Education Program Coordinator
- Vineyard Conservation Coordinator

Services and Programs

Pursuant to Division 9 of the State of California Public Resources Code, NCRCD is authorized to control runoff, prevent and control soil erosion, develop and distribute water, improve land capabilities, and coordinate resource management efforts for watershed restoration and enhancement. NCRCD provides services in conjunction with the USDA's local Natural Resources Conservation Service (NRCS) office. This includes sharing an office space, equipment, and staff resources. The two agencies work together in their outreach efforts to introduce emerging conservation technologies to landowners and community leaders in Napa County. These agencies also work together in providing leadership in facilitating community and land management forums to encourage the formulation of effective and practical conservational policies and practices. NCRCD services emphasize public education and information and therefore the District does not have the typical infrastructure associated with other special districts.

The services that NCRCD provides to landowners include erosion control plans and information regarding resources and regulations, watershed management, and other relevant data to identify and achieve their natural resource and agricultural objectives. Technical services for government agencies cover surface water monitoring, soils analysis, and habitat assessments. NCRCD also works with local schools and community organizations to educate students and the public about natural resource functions and conservation practices. Services and programs provided by NCRCD include the following:

- *LandSmart Planning* provides technical assistance to landowners and land managers to identify and prioritize management practices according to their individual needs, goals, and timelines.
- *LandSmart On-the-Ground* provides technical and financial assistance to rural and agricultural landowners to implement best management practices to achieve resource and land management goals. This includes, but is not limited to, erosion control, fish habitat improvement, and climate resiliency. On-the-Ground also provides trainings, tools, and hands-on workshops to help individuals successfully complete conservation projects including rural road maintenance, rainwater harvesting, and laundry to landscape graywater use.
- *LandSmart Water Resources* provides local solutions for water security to urban and rural residents and agriculturalists. Water management options include irrigation efficiency, storm water management, rain water harvesting, laundry to landscape graywater use, and surface water monitoring.
- *LandSmart for Kids and LandSmart Education* create connections and inspire conservation by offering community members and youth opportunities to directly engage with and participate in stewarding the renowned landscape and agricultural properties of Napa County.
- *Resource Monitoring* provides important data to the community to inform decision making and to monitor changes to the health of local watersheds over time.
- *Huichica Creek Sustainable Demonstration Vineyard* is a 14-acre vineyard where NCRCD experiments with and demonstrates sustainable vineyard management practices to promote soils and vineyards in a healthy and sustainable ecosystem. NCRCD is currently developing a re-plant schedule. Timing of the re-plant will be staged over time and will be based upon need and the availability of funds.

Cooperative Efforts

NCRCDD provides individual services to landowners primarily in conjunction with NRCS as well as other organizations. Special demonstration projects, applied conservation research, and general community outreach are used to introduce emerging conservation technologies to landowners and community leaders. NCRCDD participates in a number of cooperative efforts with public, private, and volunteer organizations with respect to protecting and restoring natural resources in Napa County. An existing memorandum of understanding (MOU) allows NCRCDD to implement the *LandSmart* conservation program and share resources in partnership with Sonoma RCD, Gold Ridge RCD, and Mendocino County RCD. This MOU involves staff from each RCD working closely together along with shared grants, information, and documents. Additionally, NCRCDD has established strong partnerships with Marin RCD, Solano RCD, Sonoma RCD, and the North Bay Watershed Association. Beyond partnerships with other North Bay RCDs and entities, Napa RCD is a member of the California Association of Resource Conservation Districts and the California Special Districts Association.

Other organizations NCRCDD regularly works with include the following:

- County of Napa*
- Napa County Flood Control and Water Conservation District*
- City of Napa
- California Department of Fish and Wildlife
- California State Coastal Conservancy
- California State Regional Water Quality Control Boards
- California Department of Conservation
- United States Department of Agriculture Natural Resources Conservation Service
- Napa County Farm Bureau
- Land Trust of Napa County
- Friends of the Napa River
- Watershed Information and Conservation Council (WICC) of Napa County*

* Since 1991, NCRCDD has had a contractual agreement with the County of Napa to perform technical reviews of agricultural erosion control plans and to make recommendations to its Planning Department as to their technical adequacy. NCRCDD also provides the County with watershed education materials, trainings, and workshops, and conducts specific watershed assessment and monitoring studies. Additionally, NCRCDD has had a contractual relationship with the Napa County Flood Control and Water Conservation District since the early 2000's to assist with implementation of the Napa Countywide Stormwater Pollution Prevention Program, stream monitoring, and stream maintenance.

Planning and Objectives

NCRCDD has prepared a Strategic Plan that identifies and promotes service objectives from 2014 through 2020. Additionally, each fiscal year NCRCDD prepares an Annual Plan to identify and promote services and education programs in accordance with the District's Strategic Plan and the public's need. The 2015-2016 Annual Plan is organized in terms of the following specific goals and focus areas:

Goal 1: Improve and protect water quality and quantity, fish and wildlife habitat, biodiversity, soil health, and overall ecosystem function.

- Provide educational and technical assistance to support implementation of stewardship practices to conserve resources and improve ecosystem function
- Implement and oversee high priority habitat and water quality improvement projects on private and public land.

Goal 2: Improve understanding about the condition of watersheds in NCRCDD and effectively utilize that information to influence policy and land management decisions.

- Better understand the condition and population dynamics of fish species in the Napa River watershed.
- Better understand water quality and availability as it relates to supporting ecological, agricultural, rural and urban uses.
- Expand monitoring programs to better understand watershed conditions beyond fish species and water quality.
- Effectively communicate results related to the condition of the watersheds to the community, land managers, and policy makers to inform resource management decisions and policies.

Goal 3: Empower and inspire the community to make informed stewardship decisions that are mindful of watershed and ecosystem function.

- Support and encourage an ethic and understanding of resource stewardship in youth of Napa County.
- Engage in and encourage dialogue amongst the community regarding stewardship of natural resources.

Goal 4: Enhance NCRCDD's ability to implement its mission through making continuous improvements in management, staff enrichment, and visibility of the RCD within the community.

- Strive for excellence in areas of fiscal responsibility, transparency, and overall operation of NCRCDD.
- Improve marketing and NCRCDD's capacity to provide information about RCD programs.
- Foster an engaged, knowledgeable, and happy staff and Board of Directors.

Public Accountability

NCRCDD adheres to a public education program consisting of newsletters, website, participation in demonstrations, tours and education programs, presentations to schools and community groups, develops educational fact sheets, and other educational activities. In addition, NCRCDD pursues interest from local news media and invites media representatives to workshops and events.

NCRCDD maintains a website <http://www.naparcd.org/> as a resource for a broad range of service information. Board meetings are conducted on the second Thursday of each month at the NCRCDD office and are open to the public. NCRCDD provides an annual summary of past and projected projects for each year in accordance with the District's long-term plan.

Finances

Budget Preparation

NCRCDD's Executive Director works with staff in March and April of each fiscal year to draft a budget based upon anticipated revenues and expenses in accordance with the District's budget preparation policy. NCRCDD annually establishes a Finance Committee that reviews the draft budget prior to it being presented to the District as part of a public hearing that generally occurs in May each year. A final budget is presented to NCRCDD's Board of Directors for adoption in June.

Financial Policies

NCRCDD has 11 financial policies: budget preparation, fixed asset, fund balance, revenue recognition, fee for service, petty cash, reimbursement, Cal-Card usage, purchasing, procurement of professional services, and procurement of construction services. NCRCDD completed an extensive review of all policies during 2014 and 2015. Existing policies were updated, a gap analysis of missing policies was conducted, and new policies were adopted as needed. A schedule for periodic policy review and update is tracked and monitored.

Revenues and Expenses

NCRCDD's major source of revenue is grants and donations. Each year NCRCDD receives approximately 20 grants. Typical grantors include the following:

- State Coastal Conservancy
- State Department of Conservation
- State Department of Fish and Wildlife
- State Department of Water Resources
- State Water Resources Control Board
- United States Environmental Protection Agency
- United States Natural Resources Conservation Service

Additional revenue sources for NCRCDD include contracts with local agencies for services, property taxes, and grape sales from the District's demonstration vineyards. While revenue sources are not stable, they have been consistent over the past several years. Major expense categories are salaries and employee benefits, professional services, and supplies related to operating natural resource programs.

NCRCDD’s adopted budget for the 2015-2016 fiscal year totals \$1.457 million. This amount represents NCRCDD’s total approved expenses or appropriations for the fiscal year. Revenues are also budgeted at \$1.457 million and primarily expected to be drawn from grants, donations, and property tax proceeds. NCRCDD’s adopted revenues and expenses for the last five fiscal years are provided below.

Category	2011-12	2012-13	2013-14	2014-15	2015-16
Adopted Revenues	\$1,593,588	\$1,459,574	\$1,498,980	\$1,528,158	\$1,456,990
Adopted Expenses	\$1,593,588	\$1,393,322	\$1,469,236	\$1,525,397	\$1,456,990
Difference	\$0	\$66,252	\$29,744	\$2,761	\$0

Current Grants

As of the preparation of NCRCDD’s 2015-2016 Annual Plan, the following grant agreements, contracts, joint powers agreements (JPAs), and professional services agreements are anticipated or have been received to implement the services and programs of the District:

- California Coastal Conservancy: 5000 Oaks Initiative (grant approved, agreement pending)
- California Coastal Conervancy: Regional Carbon Planning (grant approved, agreement pending)
- California Department of Fish and Wildlife: Napa River Dry-Season Streamflow Monitoring (acquired)
- California Department of Fish and Wildlife: Assessing Road-Related Sediment Sources in the Napa River Watershed (acquired)
- California Department of Fish and Wildlife: Calistoga Fish Barrier Removal Design through National Oceanic and Atmospheric Administration (acquired)
- California Department of Fish and Wildlife: Reducing Road-Related Sediment Delivery to Stream Systems in the Wing Canyon Sub-Watershed, Napa River (acquired)
- California Department of Water Resources: Fisheries Monitoring through Center For Ecosystem Management and Restoration (acquired)
- California Department of Water Resources: Irrigation Mobile Lab (1 acquired and 1 pending)
- Carneros/Huichica Streamgages (acquired)
- City of Napa: Water Division Support (pending)
- County of Napa: JPA with Planning, Building and Environmental Services for support of Conservation Regulations (pending)
- County of Napa: JPA with Public Works for WICC support and Groundwater Education (pending)
- County of Napa: Support for Measure A Project – Napa River Restoration Projects (pending)
- County of Napa: Zinfandel Lane & Fisheries Monitoring (amendment pending)
- Environmental Protection Agency: Napa Total Maximum Daily Load Implementation through Marin Municipal Water District (acquired)
- Environmental Protection Agency: Napa Total Maximum Daily Load Information Tracking & Accounting through County (acquired)

- Environmental Protection Agency: Wing Canyon Road Erosion Reduction Project through State Water Board (acquired)
- Environmental Protection Agency: Upper Napa River Enhancement Plan through California Land Stewardship Institute (acquired)
- Environmental Protection Agency: Bale Slough/Bear Creek Watershed Enhancement Plan through State Water Board (grant approved, agreement pending)
- Environmental Protection Agency: LandSmart Road Improvement and Conservation Planning through State Water Board (grant approved, agreement pending)
- Gasser Foundation: Special Hydrologic Study in Calistoga (acquired)
- Gasser Foundation: Rotary Screw Trap support (acquired)
- Hudson Ranch: Carneros Biological Study (acquired)
- Huichica Creek Vineyard (acquired)
- Land Trust of Napa County: Technical Assistance (acquired)
- Napa County Flood Control and Water Conservation District: Watershed Maintenance Support, Rutherford Monitoring Support, Napa Countywide Stormwater Support, Special Hydrologic Study in Calistoga (amendment pending)
- Natural Resources Conservation Service: Regional Conservation Partnership Program – Regional Carbon Farm Planning (grant approved, agreement pending)
- North Bay Watershed Association: LandSmart On-the-Ground Workshops (acquired)
- Napa County Resource Conservation District 16
- North Bay Watershed Association: LandSmart for Kids Youth Stewards (pending)
- Putah Creek Watershed Group (amendment pending)

Total grants and contributions have remained relatively consistent over the last five completed fiscal years as summarized below.

Category	2010-11	2011-12	2012-13	2013-14	2014-15
Intergovernmental	\$1,074,481	\$1,206,364	\$959,141	\$998,090	\$969,143
Huichica Creek Vineyard	\$101,750	\$78,983	\$115,914	\$161,629	\$137,579
Total	\$1,176,231	\$1,285,347	\$1,075,055	\$1,159,719	\$1,106,722

Audited Financial Statements

NCRCDD has annual independent audits and the District periodically changes auditors. Charles Pillon, CPA, completed NCRCDD’s audits for the 2010-2011, 2011-2012, and 2012-2013 fiscal years. Larry Bain, CPA, has completed NCRCDD’s 2013-2014 and 2014-2015 audits and is under contract for the 2015-2016 fiscal year audit. There is a provision in the contract with Larry Bain that allows NCRCDD to extend the contract for an additional two years at the District’s option. NCRCDD has engaged the County Auditor-Controller regarding additional auditing opportunities.

Recent audits reveal that revenues have exceeded expenditures in four of the past five fiscal years. In the lone instance in which expenses exceeded revenues, the deficit involved the timing of invoices for which NCRCD had earned revenues that were not paid within 90 days of the end of the fiscal year; a common issue involving grant funding. Actual revenues and expenses for NCRCD over the last five fiscal years are provided below.

Category	2010-11	2011-12	2012-13	2013-14	2014-15
Actual Revenues	\$1,448,255	\$1,549,874	\$1,353,260	\$1,447,250	\$1,409,988
Actual Expenses	\$1,409,791	\$1,508,417	\$1,315,799	\$1,423,888	\$1,463,444
Difference	\$38,464	\$41,457	\$37,461	\$23,362	(\$53,456)

NCRCD’s 2014-2015 audit identifies that the District received revenues totaling \$1.459 million and incurred expenses totaling \$1.374 million, resulting in a total operating income of \$85,135 during the fiscal year. NCRCD receives 85% of its revenue from Federal, State, and local grants and contracts. The remaining portion of NCRCD’s revenue is drawn from its proportional share of property tax assessments, income from the District’s demonstration vineyard, and interest on investment funds. Approximately 61% of NCRCD’s expenditures are dedicated to salaries and subcontractor expenses. The remaining 39% of NCRCD’s expenses are dedicated to grant services and supplies, depreciation, and interest payments.

As shown in **Table 4**, NCRCD had \$1.599 million in total assets and \$0.880 million in total liabilities as of June 30, 2015. NCRCD had \$1.002 million in current assets including cash, accounts receivable, and short term investments. Long-term assets totaled \$0.414 million. NCRCD maintains a fund balance that is reasonable to cover anticipated operating expenses for approximately six months. NCRCD has sufficient current assets to meet current liabilities with a ratio of 9.6:1. Long-term debt is in the form of compensated absences and a loan payable. The District’s loan payable consists of a loan agreement with the State Revolving Fund Loan Program, dated May 23, 1997 and is due in annual installments of \$9,248 on July 23 at an interest rate of 2.8%. The proceeds were used for District improvements. The outstanding loan balance as of June 30, 2015 was \$17,739.

Table 4
Balance Sheet Ending June 30, 2015

Assets	Amount
Current Assets	\$1,001,896
Land	\$350,100
Other capital assets, net of depreciation	\$64,269
Deferred outflows - pensions	\$182,577
Total Assets	\$1,598,842
Current Liabilities	\$104,553
Non-Current Liabilities	\$671,657
Deferred inflows of resources	\$103,867
Total Liabilities	\$880,077
Invested in Capital Assets, net of related debt	\$396,630
Unrestricted equity	\$322,135
Total Net Assets	\$718,765

Source: NCRCD Audited Financial Statements, 2014-2015 (Larry Bain, CPA)

NCRCDD does not have reserves or contingency fund balances. However, NCRCDD’s unassigned general fund balance as of June 30, 2015 totaled \$675,530, which is technically available for any purpose. Further, NCRCDD’s fund balance policy ensures the District maintains an adequate fund balance equivalent to a minimum of two months operating expenses. While not technically categorized as reserves, this fund balance amount serves a similar purpose to ensure NCRCDD is protected against significant economic downturns and unforeseen emergencies. NCRCDD’s unassigned fund balance at the end of each of the last five fiscal years is provided below.

	2010-11	2011-12	2012-13	2013-14	2014-15
Unassigned Fund Balance	\$710,169	\$759,112	\$802,287	\$720,692	\$675,530

Financial Issues

A key financial issue for NCRCDD is that its revenue stream is primarily dependent on grant funding. The dependency on grants to fund its service operations requires extensive work by NCRCDD to continually apply and maintain due to increasing competition. The result is that NCRCDD is financially reliant on a revenue stream that is subject to fluctuations. Other revenue streams include sales from Huichica Creek Sustainable Demonstration Vineyard as well as property tax based assessments that increase slowly and may be subject to budget cuts. NCRCDD has completed a fund development strategy and is exploring opportunities to develop a conservation fund through Napa Valley Community Foundation or through establishing an independent foundation.

IV. MUNICIPAL SERVICE REVIEW DETERMINATIONS

The following determinations address the service and governance factors enumerated for consideration by the Commission under G.C. Section 56430 as well as required by local policy. These factors range in scope from considering infrastructure needs and deficiencies to relationships with growth management policies. The determinations serve as independent conclusions of the Commission on the key issues underlying growth and development within the affected community and are based on information collected, analyzed, and presented in this report and are specific only to NCRCD.

Growth and Population Projections

- a) The Napa County Resource Conservation District's jurisdictional boundary includes most of Napa County with the exception of an approximate 1,300-acre inhabited portion of the City of Napa. While specific population projections are not available, all 140,300 people currently residing in Napa County (as estimated by the Association of Bay Area Governments) benefit from the District's conservation services.
- b) The Association of Bay Area Governments projects an annual population growth rate for Napa County of 0.6 percent over the next 10 years. Although limited, this projected growth rate will contribute to the intensification of land uses and result in the continued demand for conservation services in Napa County.
- c) It is the policy of the County of Napa to direct urban development to the incorporated areas and to preserve surrounding lands for agricultural and open-space uses through restrictive zoning standards. This policy is reflected in the land use policies of the five incorporated cities and helps to ensure that agriculture and open-space remain predominant land uses within the jurisdictional boundary of the Napa County Resource Conservation District.

Present and Planned Capacity of Napa County Resource Conservation District's Public Facilities, Adequacy of Public Services and Infrastructure Needs and Deficiencies

- a) The Napa County Resource Conservation District does not own or maintain substantial infrastructure or equipment. The District relies on staff resources to deliver information and technical assistance to private landowners, organizations, and local jurisdictions involving its conservation services.
- b) The Napa County Resource Conservation District has made a measurable investment in staff over the last 20 years. The increase in staff corresponds with the District's decision to expand the scope of its conservation services to address watershed and urban resource management issues.

Financial Ability to Provide Services

- a) The Napa County Resource Conservation District is primarily funded by intergovernmental revenues, including contracts and grants. The dependency on contracts and grants to fund its conservation services makes the District financially reliant on a revenue stream that is subject to fluctuations. The District would benefit from securing a more stable source of revenues.

- b) The Napa County Resource Conservation District serves as an instrument in securing federal and state grants that would not be otherwise available to fund conservation services in Napa County.

Status and Opportunities for Shared Facilities

- a) The Napa County Resource Conservation District maintains a long-standing partnership with the United States Department of Agriculture's Natural Resources Conservation Service. This partnership, which includes the sharing of office space, equipment, and staff resources, is formalized through a memorandum of understanding and helps to coordinate and enhance local conservation activities.
- b) The Napa County Resource Conservation District works with local agencies, citizens, and organizations on a variety of watershed protection and flood prevention projects in Napa County. These projects range from monitoring stream flows to organizing volunteer stewardship groups and help to connect private and public interests to serve common conservation goals.

Accountability for Community Service Needs, Including Government Structure and Operational Efficiencies

- a) The Napa County Resource Conservation District is the only public agency authorized to provide a full range of soil and water conservation services within its jurisdictional boundary. The conservation services provided by the District are important in restoring and protecting the community's natural resources.

Location and Characteristics of Any Disadvantaged Unincorporated Communities within or Contiguous to the Existing Spheres of Influence

- a) No disadvantaged unincorporated communities meeting the definition under State law have been identified anywhere in Napa County. Furthermore, there are no disadvantaged unincorporated communities located within the immediate vicinity of the portion of the Napa County Resource Conservation District that extends into Solano County.

Relationship with Regional Growth Goals and Policies (Local Policy)

- a) Resource conservation districts have no authority over land use policies and hence no direct participation on the policy level that would connect the activities of the district with regional growth.

V. SPHERE OF INFLUENCE UPDATE

The analysis conducted as part of the municipal service review portion of this study identifies that NCRCD is providing an adequate and effective level of conservation services within its jurisdictional boundary. These conservation services have been instrumental in enhancing and restoring natural resources for the benefit of both rural and urban areas and have contributed to the preservation of local agricultural and open space lands. NCRCD has developed sufficient capacities and service programs to continue to provide an effective level of conservation services within its existing sphere. Based on outreach to resource conservation districts in neighboring counties, no additional areas beyond NCRCD's existing sphere appear to require services that could be provided by the District within the timeframe of this sphere update.

Adoption of Sphere of Influence and 2007 Update

NCRCD's sphere was originally adopted by the Commission in 1985. The sphere was designated to include all incorporated and unincorporated lands in Napa County as well as approximately 2,070 acres in Solano County, the latter of which was annexed into NCRCD in 1952. The Commission affirmed NCRCD's sphere in 2007 as part of a comprehensive review and update. There have been no changes to the sphere since its adoption.

Jurisdictional Boundary and Land Use Authorities

NCRCD's sphere encompasses approximately 507,500 total acres. Of this amount, approximately 1,300 contiguous acres are located outside NCRCD's jurisdictional boundary. This portion of the sphere represents the City of Napa's incorporated boundary as of 1945, which was excluded from NCRCD at the time of its formation. Annexation of these 1,300 acres would require NCRCD to submit a complete application to the Commission, including associated application fees along with a final map and geographic description consistent with the requirements of the State Board of Equalization. A map depicting NCRCD's current sphere of influence and jurisdictional boundary is provided in this report as Exhibit A.

NCRCD operates under the land use authorities of seven local jurisdictions. These jurisdictions include the Counties of Napa and Solano, Cities of American Canyon, Calistoga, Napa, St. Helena, and the Town of Yountville. In addition, the Federal Government owns a substantial portion of unincorporated land in northeast Napa County, including the shoreline of Lake Berryessa. The State of California also owns a substantial portion of unincorporated wetlands in south Napa County. These lands are not subject to local land use policies.

VI. SPHERE OF INFLUENCE RECOMMENDATION

It is recommended that the Commission affirm NCRCD's existing sphere of influence, which includes all incorporated and unincorporated lands in Napa County as well as the Cullinan Ranch area in Solano County. Pursuant to California Government Code Section 56425(e), the following statements have been prepared in support of the recommendation:

Present and Planned Land Use

The present and future land uses in the area are planned for in the general plans prepared by the seven land use authorities whose jurisdictions overlap the jurisdictional boundary of the Napa County Resource Conservation District. The exercise of the District's conservation services, which benefit both urban and non-urban areas, will not affect the level or type of development identified in the general plans of the land use authorities.

Present and Probable Need for Public Facilities and Services

The provision of conservation services helps to ensure the protection and restoration of natural resources, which are essential to the social and economic health of the area.

Present Capacity and Adequacy of Public Services

The Napa County Resource Conservation District has developed policies, service plans, and programs to provide adequate and effective conservation services for the area.

Social and Economic Communities of Interest

The social and economic health of the area is measurably enhanced by the conservation services provided by the Napa County Resource Conservation District.

Present and Probable Need for Public Services for Disadvantaged Unincorporated Communities

No disadvantaged unincorporated communities meeting the definition under State law have been identified anywhere in Napa County. Furthermore, there are no disadvantaged unincorporated communities located within the immediate vicinity of the portion of the Napa County Resource Conservation District that extends into Solano County.

VII. REFERENCES

Principal Agency Contacts

- Leigh Sharp, Executive Director, NCRCD

Additional Contacts

- Korinn Woodard, District Conservationist, United States Department of Agriculture and Natural Resources Conservation Service
- Charlotte Griswold, President, East Lake RCD
- Chris Rose, Executive Director, Solano RCD
- Kara Heckert, Executive Director, Sonoma RCD
- Heather Nichols, Executive Director, Yolo RCD

Documents/Materials

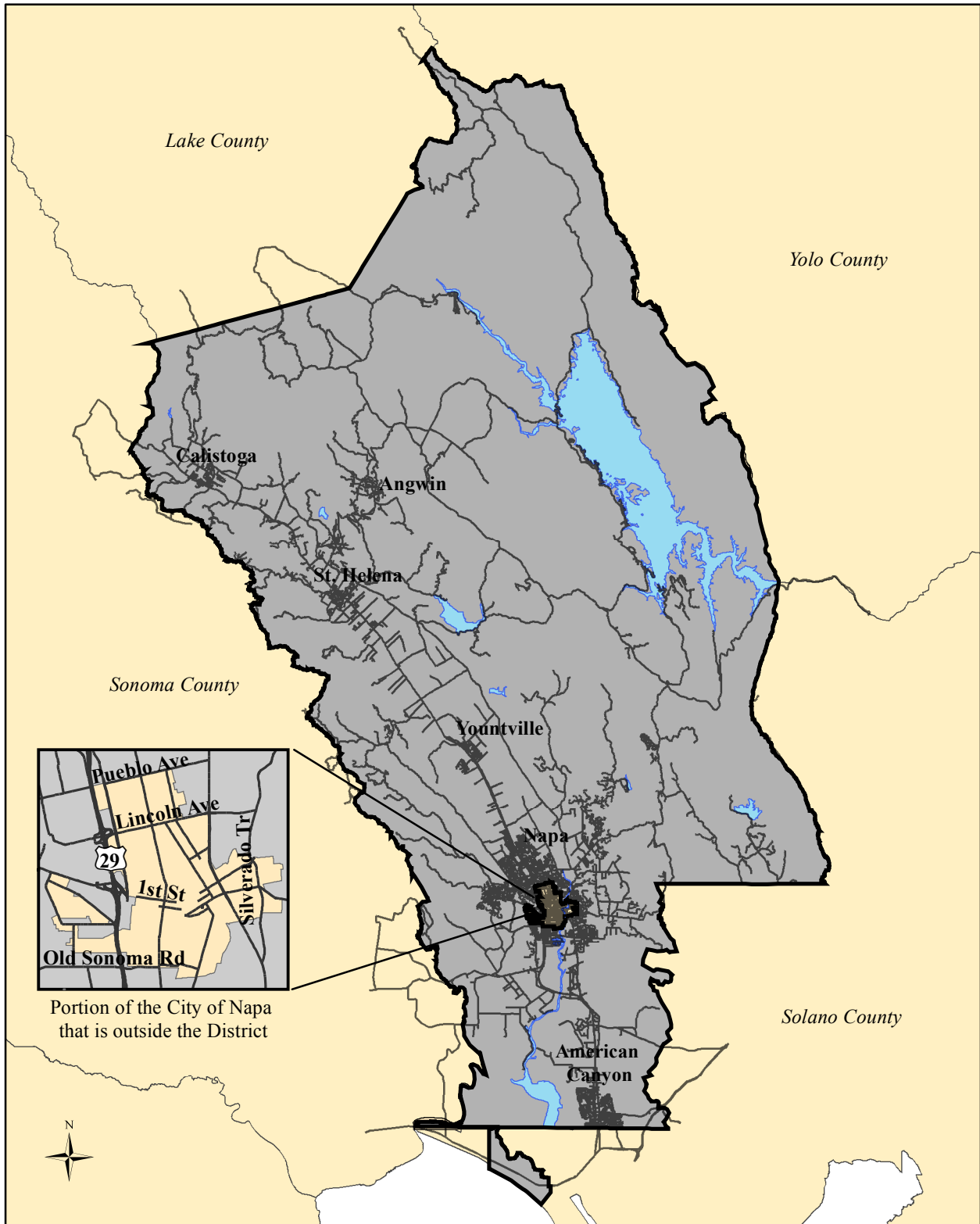
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- NCRCD, “Revenue Recognition Policy” 2015
- NCRCD, “Annual Plan 2015-16”
- NCRCD, “Strategic Plan 2014-2020”

Websites



- Napa County Resource Conservation District, <http://naparcd.org/>
- Association of Bay Area Governments, <http://www.abag.org/>
- California Department of Conservation, <http://www.conservation.ca.gov/>
- California Department of Finance, <http://www.dof.ca.gov/>
- California State Controller’s Office, <http://sco.ca.gov/>
- United States Department of Agriculture Natural Resources Conservation Service, <http://www.nrcs.usda.gov/>

EXHIBIT A

Napa County Resource Conservation District



Legend

-  Napa County Resource Conservation District
-  Napa County Resource Conservation District Sphere of Influence



*Not to Scale
February 2016
Prepared by BF*



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